



## Homes and Community Renewal

Division of Housing  
and Community  
Renewal

KATHY HOCHUL  
Governor

RUTHANNE VISNAUSKAS  
Commissioner/CEO

### OFFICE OF INTEGRATED HOUSING MANAGEMENT MEMORANDUM #2023 – B – 2

**To:** All Limited Profit Housing Companies  
Owners, Managing Agents & Site Managers

**From:** Robert Landy, Vice President of Financial Operations

**Date:** April 27, 2023

**Subject:** Expedited Budget/Rent Determination Process for Limited Profit Housing Companies,  
Pilot Program

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The current inflationary environment and the lingering effects of the COVID-19 pandemic have impacted the financial stability of many housing companies. Through its regulatory authority, DHCR has developed a pilot program to expedite the Budget/Rent Determination process to address this matter and assist limited profit housing companies by providing a temporary rent increase (the "Pilot Program"). See 9 NYCRR § 1728-1.1(c). The Pilot Program is only available to housing companies experiencing substantial financial distress.

Housing companies may request to participate in the Pilot Program for any of the following reasons:

- an extraordinary increase in real estate taxes;
- an extraordinary increase in utility payments;
- an extraordinary increase in water and sewer bills;
- an extraordinary increase in insurance premiums; and/or
- a need to address critical health and safety items.

DHCR retains discretion to: (i) allow housing companies to participate in this Pilot Program; and (ii) allow participation in the Pilot Program for extraordinary circumstances in addition to the reasons set forth above.

***The Pilot Program provides for a temporary rent increase. Participating housing companies must submit a full B/RD package within 180 to 240 days after the effective date of the Pilot Program rent order. Since this is a temporary rent increase, the subsequent B/RD may result in a rent decrease.***

Housing companies seeking to participate must submit the following documentation:

- a Budget/Rent Determination rent increase application;
  - a board Resolution, if applicable;
  - a DHCR Budget, HM-2 Form; available at: <https://hcr.ny.gov/housing-management-bureau-forms>
  - a rent to income analysis (tenant income profile, HM-2 Form, page 9)
  - certified annual audited financials for the most recently completed fiscal year;
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- a CPA attestation regarding expenses (comparing most recent audited financials to most recent approved B/RD);
- a request for waiver of Section 9 NYCRR 1728-1.2 of the Regulations pursuant to 9 NYCRR 1728-1.1(c); and
- proof of service of notification to all residents (all residents are required to be notified of this submission).

Note that the notice must provide an address where comments may be sent and indicate there will not be a public rent conference with this potential increase.

Requests and supporting documentation must be submitted to:

[HCR\\_BUDGETRENTDETERMINATION@hcr.ny.gov](mailto:HCR_BUDGETRENTDETERMINATION@hcr.ny.gov)

with a carbon copies (CC) to the assigned Housing Management Representative and DHCR Accountant.

*The purpose of this Pilot Program is to provide temporary assistance to Housing Companies experiencing financial challenges as well as to reduce the time it typically takes to issue a rent order. If a Housing Company submits all the required documentation, a rent order could be effective within 120 days upon notification of a complete submission.*

Please note, housing companies that require approval from the United States Department of Housing and Urban Development may be required to submit additional information and additional time.

Very truly yours,



Robert Landy,  
Vice President of Financial Management  
Office of Housing Preservation

cc: R. Koepnick, J. Pearson, M. Palomino, S. Melnitsky, J. Stellar, M. Tyler, T. Lipovetsky, M. Stratos, C. Sparks, M. Siddiqui